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Title: The Prime Minister made a statement regarding Civil Nuclear Energy Cooperation with United States.

THE PRIME MINISTER (DR. MANMOHAN SINGH)*: Mr. Speaker Sir, I rise to inform this august House that the Government of India has reached Agreement with the Government of the United States of America on the text of the bilateral Agreement on Cooperation for Peaceful Uses of Nuclear Energy. ...(*Interruptions*)

This Government has kept Parliament fully in the picture at various stages of our negotiations with the United States. We have never shied away from a full discussion in Parliament on this important issue. I have myself made statements on several previous occasions – on July 29, 2005 soon after my return from Washington, on February 27, 2006 during which I took Parliament into confidence regarding our ongoing discussions with the United States on the Separation Plan, and on March 7, 2006 following the visit of President Bush to India. â€¦(*Interruptions*) I also made a detailed statement in the Rajya Sabha on August 17, 2006 conveying certain solemn commitments to which I shall return shortly. ...(*Interruptions*)

MR. SPEAKER: What are you doing? Is this the way Members of Parliament should behave?

...(*Interruptions*)

DR. MANMOHAN SINGH: Our Government has adhered scrupulously to Parliamentary traditions and practices. We have in fact gone far beyond any previous Government. ...(*Interruptions*)

After the conclusion of the Agreement, we have also briefed many of the parties represented in Parliament on the details of the Agreement.

Sir, the Agreement is about civil nuclear energy cooperation. It is an Agreement between two States possessing advanced nuclear technologies, both parties having the same benefits and advantages. The significance of the Agreement lies in the fact that when brought into effect, it will open the way for full civil nuclear energy cooperation between India and the United States. We have negotiated this Agreement as an equal partner, precisely because of the achievements of our scientists and technologists in overcoming the barriers placed around us in the past. This is an Agreement based on the principle of mutual benefit. ...(*Interruptions*)

There has been considerable public debate and discussion on various aspects of the Agreement. On August 17, 2006, I had given a solemn commitment to Parliament and to the country regarding what we can agree and cannot agree with the United States to enable civil nuclear energy cooperation with India. I had stressed that it must be within specific parameters, which I had shared with Parliament. This was an unprecedented measure of transparency on our part even in the midst of complex negotiations.â€¦ (*Interruptions*)

I had given Parliament my assurance that the Government will make every effort so that the vision of the Joint Statements of July, 2005 and March, 2006 becomes a living reality. I believe that we have redeemed that pledge. In concluding this Agreement, we have ensured that the autonomy of our strategic programme is fully maintained, and that Dr. Homi Bhabha's long-term vision remains our guiding principle ...(*Interruptions*)

With your permission, I wish to draw the attention of this august House to the main features of the Agreement in some detail. It would become evident that the commitments I had made to Parliament, including those on August 17, 2006, have been fully adhered to....(*Interruptions*)

Full Civil Nuclear Cooperation

The concept of full civil nuclear cooperation has been clearly enshrined in this Agreement. The Agreement stipulates that such cooperation will include nuclear reactors and aspects of the associated nuclear fuel cycle, including technology transfer on industrial or commercial scale. It would also include development of a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of our reactors. [MSOffice1]

A significant aspect of the Agreement is our right to reprocess US origin spent fuel. This has been secured upfront. We view our right to reprocess as a key element of a closed fuel cycle, which will enable us to make full use in our national facilities of the energy potential of the nuclear fuel used in our reactors. ...(*Interruptions*) This important yardstick has been met by the permanent consent for India to reprocess. ...(*Interruptions*)

India will establish a new national reprocessing facility dedicated to reprocessing foreign nuclear material under IAEA safeguards. ...(*Interruptions*) India and the US will mutually agree on arrangements and procedures under which such reprocessing will take

place in the new facility. ...(*Interruptions*) Consultations on arrangements and procedures will begin within six months of a request by either party and will be concluded within one year. There is no ambiguity with regard to the commitments of both countries.

Any special fissionable material that may be separated may be utilized in national facilities under IAEA safeguards. Thus, the interests of our three stage nuclear programme have been protected. ...(*Interruptions*)

The United States has a longstanding policy of not supplying to any country enrichment, reprocessing and heavy water production facilities. ...(*Interruptions*) This Agreement provides for such transfers to India only through an amendment. Forward-looking language has been included for dual use transfers of enrichment, reprocessing and heavy water production facilities. We hope transfers will become possible as cooperation develops and expands in the future. ...(*Interruptions*) It is important to note that no prohibition that is specifically directed against India has been included in the Agreement. ...(*Interruptions*)

The Principle of Reciprocity

The principle of reciprocity, which was integral to the July 2005 Statement, has been fully safeguarded in this Agreement. There is no change in our position that we would accept only IAEA safeguards on our civilian nuclear facilities. This would also be in a phased manner and as identified for that purpose in the Separation Plan, and only when all international restrictions on nuclear trade with India have been lifted. India will not take any irreversible steps with the IAEA prior to this. ...(*Interruptions*)

Certification

This Agreement emphasizes the desire of both countries to cooperate extensively in the use of nuclear energy for peaceful purposes as a means of achieving energy security on a stable, reliable and predictable basis. This Agreement further confirms that US cooperation with India is a permanent one. There is no provision that states that US cooperation with India will be subject to an annual certification process. ...(*Interruptions*)

Hon. Members may recall that the 18th July 2005 Joint Statement had acknowledged that India be regarded as a State with advanced nuclear technology enjoying the same advantages and benefits as other States with advanced nuclear technology, such as the US. ...(*Interruptions*) This Agreement makes specific references to India and the United States as States possessing advanced nuclear technology, both parties having the same benefits and advantages, both committed to preventing Weapons of Mass Destruction proliferation. ...(*Interruptions*)

Safeguards

As agreed in the March Separation Plan, India has accepted only IAEA safeguards that will be reflected in an India-specific Safeguards Agreement with the IAEA. We have not consented to any provision that mandates scrutiny of our nuclear weapons programme or any unsafeguarded nuclear facilities. ...(*Interruptions*) There are explicit provisions in the Agreement that make it clear that this Agreement does not affect our unsafeguarded nuclear facilities and that it will not affect our right to use materials, equipment, information or technology acquired or developed independently. ...(*Interruptions*) India and the United States have agreed that the implementation of the Agreement will not hinder or otherwise interfere with India's nuclear activities including our military nuclear facilities. Nothing in the Agreement would impinge on our strategic programme, our three-stage nuclear power programme or our ability to conduct advanced Research and Development. ...(*Interruptions*)[MSOffice2]

Fuel Supply Assurances

I would like to reiterate that the March, 2006 Separation Plan provided for an India-specific Safeguards Agreement with the IAEA, with assurances of uninterrupted supply of fuel to reactors that would be placed under IAEA safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted. An important assurance given is the commitment of support for India's right to build up strategic reserves of nuclear fuel to meet the lifetime requirements of India's reactors. ...(*Interruptions*) This Agreement envisages, in consonance with the Separation Plan, US support for an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply for the lifetime of India's reactors. The Agreement reiterates *in toto* the corresponding portions of the Separation Plan. It has endorsed the right of India to take corrective measures to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supply....(*Interruptions*)

MR. SPEAKER: You have no right to be here.

DR. MANMOHAN SINGH: Hon. Members will agree that these provisions will ensure that there is no repeat of our unfortunate experience with Tarapur.

Integrity and reliability of our strategic programme, autonomy of decision making and future scientific research and development

In my statements of March 7 and August 17, 2006, I had assured Parliament that the Separation Plan would not adversely affect our strategic programme, the integrity of the three-stage nuclear programme and the autonomy of our Research and Development activity. ...(*Interruptions*)

This agreement does not in any way impact on India's ability to produce and utilize fissile material for its current and future strategic needs. Our right to use for our own purposes our independent and indigenously developed nuclear facilities has been fully preserved. The Agreement also provides for non-hindrance and non-interference in our activities involving use of nuclear material, non-nuclear material, equipment, components, information or technology and military nuclear facilities produced, acquired or developed independently for our own purposes. ...(*Interruptions*)

Cessation of cooperation

An elaborate multi-layered consultation process has been included with regard to any future events that may be cited as a reason by either Party to seek cessation of cooperation or termination of the Agreement. Both Parties have agreed to take a number of factors into account in their consultations so that the scope for precipitate or unilateral action is reduced. Cessation of cooperation can be sought by the US only if it is prepared to take the extreme step of termination of the Agreement. India's right to take "corrective measures" will be maintained even after the termination of the Agreement. â€¦ (*Interruptions*)

MR. SPEAKER: You are all behaving in this manner. You are not listening even to the Prime Minister of the country. The whole nation is watching you.

DR. MANMOHAN SINGH: In the case of termination of this Agreement and cessation of cooperation by either Party, each has the right to seek return of nuclear material and equipment supplied by it to the other. However, before the right of return is exercised, the Agreement commits the Parties to consult and to take into account specific factors such as national security, ongoing contracts and projects, compensation at market value, physical protection and environmental issues. India and the United States have agreed to consider carefully the circumstances that may lead to termination, including a party's concerns about a change in the security environment or a response to similar actions by other States that could impact on national security. The Agreement stipulates that the two parties recognize that exercising the right of return would have profound implications and consequences for their relations. ...(*Interruptions*)[a3]

From India's point of view, our primary objective is to ensure the uninterrupted operation of our nuclear reactors, in the context of the detailed fuel supply assurances provided in the Separation Plan and these are now reflected in full in the Agreement. The Agreement specifically states in regard to fuel supply assurances and India's right to take "corrective measures" that there will be no derogation of India's rights in this regard, including the right to take "corrective measures" to ensure the uninterrupted operation of its reactors. ...(*Interruptions*) This reflects the balance of obligations consistent with the understandings of the July Statement and the March Separation Plan....(*Interruptions*)

MR. SPEAKER: What are you doing? I do not understand it. Is this the way the Prime Minister of this country to be treated? Do you not feel ashamed of it?

...(*Interruptions*)

DR. MANMOHAN SINGH: Among the significant and innovative features of this Agreement are specific mention of the right to run foreign supplied reactors 'without interruption' and to take 'corrective measures' in the event of fuel supply disruption. â€¦ (*Interruptions*) This has been made possible by crafting the provisions in a manner that provide for explicit linkages and interlocking of rights and commitments contained in the Agreement. ...(*Interruptions*)

The Agreement does not in any way affect India's right to undertake future nuclear tests, if it is necessary in India's national interest. ...(*Interruptions*) Let me hence reiterate once again that a decision to undertake a future nuclear test would be our sovereign decision, one that rests solely with the Government. There is nothing in the Agreement that would tie the hands of a future Government or legally constrain its options to protect India's security and defence needs. ...(*Interruptions*)

If I might sum-up, this Agreement does not in any way inhibit, restrict or curtail our strategic autonomy or capabilities. Our rights to pursue our three-stage nuclear power programme remain undiluted. ...(*Interruptions*) In the unlikely event of cessation of cooperation, there is no derogation of our rights with regard to corrective measures. Our reprocessing rights are upfront and

are permanent in nature. Advanced R&D programmes and IPR Protection are fully safeguarded. ...(*Interruptions*)

Mr. Speaker, Sir, as I have said, this is an Agreement for cooperation between India and the US on peaceful uses of nuclear energy. Its genesis is the shared perception between India and the US that both our countries need to address their energy challenges, and address them in a manner that is sensitive to concerns about the environment. ...(*Interruptions*) For India, it is critically important to maintain our current GDP growth rate of 8 to 10 per cent per annum if our goal of eradicating poverty is to be achieved. The energy implications of this growth rate over the next couple of decades are enormous. ...(*Interruptions*) Even if we were to exploit all our known resources of coal, oil, gas and hydropower, we would still be confronted with a yawning demand and supply gap. ...(*Interruptions*)

India's three-stage nuclear power programme holds immense promise for the future. The unique thorium-based technology would become an economically viable alternative over a period of time following sequential implementation of the three stages. ...(*Interruptions*) We must, in the meantime, explore and exploit every possible source of energy. Nuclear energy is a logical choice for India. Indigenous supplies of uranium are highly inadequate and hence we need to source uranium supply from elsewhere. â€¦ (*Interruptions*) In a globalised world, technology is always a premium item and we look forward to expanding our horizons in this regard as well. We intend to carry forward our cooperation with other countries in civil nuclear energy, in particular, with major nuclear suppliers such as Russia and France. ...(*Interruptions*)

We already have a comprehensive nuclear infrastructure. We have a corps of skilled and technically qualified manpower in this sector. â€¦ (*Interruptions*) It makes sense for us to leverage this valuable asset. As hon. Members are aware, our target for the year 2020 is 20,000 MW of nuclear power generation....(*Interruptions*) It is quite modest. However, if international cooperation once again became available, we could hope to double this target....(*Interruptions*) [R4]

On the basis of the Indo-US bilateral Agreement and the finalisation of an India-specific Safeguards Agreement with the IAEA, which is being taken up shortly, the Nuclear Suppliers Group is expected to adapt its guidelines to enable international commerce with India in civil nuclear energy and all dual use technologies associated with it. This would be the beginning of the end of the technology-denial regimes against India that have been in existence for over three decades. â€¦ (*Interruptions*)

Apart from its direct impact on our nuclear energy programme, this Agreement will have major spin-offs for the development of our industries, both public and private. High technology trade with the US and other technologically advanced countries will expand rapidly. â€¦ (*Interruptions*)

I wish to draw attention to another major gain for India from this initiative. We will be creating opportunities for our scientists to participate in the international exchange of scientific ideas and technical know-how and to contribute to the global effort to deal with the world-wide challenges of energy security and climate change. This includes the International Thermonuclear Research Reactor or ITER project, in which India has already joined as a full and equal member along with a handful of technologically advanced countries. ...(*Interruptions*)

In discussions on this subject, questions have been raised about Government's commitment to an independent foreign policy. I have clearly spelt out the Government's position in this regard in my statements to Parliament in March and August, 2006. I had specially underlined that the pursuit of a foreign policy that is independent in its judgement is a legacy of our founding fathers and an abiding commitment of my Government. India is too large and too important a country to have the independence of its foreign policy taken away by any power. Today, India stands on the world stage as an influential and respected member of the international community. There is independence in our thought and independence in our actions. ...(*Interruptions*)

I would like to reiterate that our engagement today with all global powers like US, Russia, China, EU, UK, France, Germany and Japan is unprecedented. Engagement with West, East, South East and Central Asia has been significantly stepped up with visible results. We are building new frontiers in our ties with Africa and Latin America. In South Asia we seek to develop a peaceful environment, one which is conducive to ambitious developmental targets. I urge those who question our commitment to an independent foreign policy to display the same degree of confidence in India, as others from outside do. ...(*Interruptions*)

Sir, thus, there is no question that we will ever compromise, in any manner, our independent foreign policy. We shall retain our strategic autonomy. At the same time, we must not forget India's long-standing commitment to the noble ideas of nuclear disarmament and our refusal to participate in any arms race, including a nuclear arms race. Our commitment to universal, non-discriminatory and total elimination of nuclear weapons remains undiminished. It was this vision of a world free of nuclear weapons which Shri Rajiv Gandhi put before the UN in 1988 and this still has universal resonance. ...(*Interruptions*)

Sir, we remain committed to a voluntary, unilateral moratorium on nuclear testing. We are also committed to negotiate a Fissile Material Cut-off Treaty or FMCT in the Conference on Disarmament. India is willing to join only a non-discriminatory, multilaterally negotiated, and internationally verifiable FMCT, as and when it is concluded in the Conference on Disarmament,

subject to it meeting our national security interests. ...(*Interruptions*)

Despite changes in Government and changes in political leadership we have always tempered the exercise of our strategic autonomy with a sense of global responsibility and with a commitment to the ideals of general and complete disarmament, including global nuclear disarmament. This Government believes that our commitment to these ideals and our efforts to realize them must continue, and continue with even greater vigour, now that we are a nuclear weapon state. The possession of nuclear weapons only increases our sense of responsibility and does not diminish it.[R5] ...(*Interruptions*)

[r6]Pending global nuclear disarmament India has maintained an impeccable non-proliferation record. As a responsible nuclear power, India will not be the source of proliferation of sensitive technologies. We stand for the strengthening of the non-proliferation regime as the infirmities in this regime have affected our security interests. We will work together with the international community to advance our common objective of non-proliferation...(*Interruptions*)

There are now other landmarks to cross before the goal of India joining the international mainstream as a full and equal partner becomes a reality. We have to finalise an India-specific Safeguards Agreement with the IAEA. Thereafter, the Nuclear Suppliers Group has to agree, by consensus, to adapt its guidelines, we expect without conditions, to enable nuclear commerce with India and to dismantle the restrictions on the transfer of dual use technologies and items to our country. The US Administration is to secure requisite approval from the US Congress. The completion of these next steps will mark the practical realization of this initiative...(*Interruptions*)

Our negotiators deserve credit for delivering to the nation an Agreement, which can potentially transform the economic prospects of our country. It is an Agreement that will enable us to meet the twin challenges of energy security and environmental sustainability, and remove the technology denial regimes that have, for decades, been a major constraint on our development. At the same time, it will bring India the recognition it deserves thanks to the outstanding achievements of our scientists in nuclear and space sciences as well as other high technology areas.

SHRI BASU DEB ACHARIA (BANKURA): Sir, the Indo-US Deal is against the interest of the nation. This will adversely affect our independent policy. We are opposed to the harmful provisions of the Hyde Act. The Nuclear Deal should be renegotiated. That is why, we are walking out in protest of this.

14.27 hrs.

At this stage, Shri Basudeb Acharia and some other

hon. Members left the House

DR. MANMOHAN SINGH: Mr. Speaker Sir, this historic initiative has received the steadfast support of President Bush and senior members of his Administration. The strengthening and enhancement of our bilateral relations is an objective that has received his unstinting personal support and commitment. This Agreement is a shining example of how far we have progressed...(*Interruptions*)

Finally, Sir, let me end by saying that we have achieved an Agreement that is good for India, and good for the world. I am neither given to exaggeration nor am I known to be self-congratulatory. I will let history judge; I will let posterity judge the value of what we have done through this Agreement. In days to come it will be seen that it is not just the United States but nations across the world that wish to arrive at a new equilibrium in their relations with India. This agreement with the United States will open new doors in capitals across the world. It is another step in our journey to regain our due place in global councils. When future generations look back, they will come to acknowledge the significance of this historic deal...(*Interruptions*)

* Also placed in Library, See No. LT 6678/2007